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**State:** Illinois **Filing Company:** American Casualty Company of Reading - PA  
**TOI/Sub-TOI:** 11.0 Medical Malpractice - Claims Made/Occurrence/11.0000 Med Mal Sub-TOI Combinations  
**Product Name:** Healthcare Providers Services Organization Program  
**Project Name/Number:** HPSO RPG /12-00330-RL

## Filing at a Glance

Company: American Casualty Company of Reading - PA  
Product Name: Healthcare Providers Services Organization Program  
State: Illinois  
TOI: 11.0 Medical Malpractice - Claims Made/Occurrence  
Sub-TOI: 11.0000 Med Mal Sub-TOI Combinations  
Filing Type: Rate/Rule  
Date Submitted: 06/07/2012  
SERFF Tr Num: CNAC-128458368  
SERFF Status: Closed-Filed  
State Tr Num: CNAC-128458368  
State Status:  
Co Tr Num: 12-00330-RL  
  
Effective Date: 07/01/2012  
Requested (New):  
Effective Date: 07/01/2012  
Requested (Renewal):  
Author(s): Sharon Robinson  
Reviewer(s): Gayle Neuman (primary)  
Disposition Date: 10/02/2012  
Disposition Status: Filed  
Effective Date (New):  
Effective Date (Renewal):  
  
State Filing Description:  
ROUTED 8/23/12

**State:** Illinois **Filing Company:** American Casualty Company of Reading - PA  
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## General Information

Project Name: HPSO RPG Status of Filing in Domicile:  
Project Number: 12-00330-RL Domicile Status Comments:  
Reference Organization: Reference Number:  
Reference Title: Advisory Org. Circular:  
Filing Status Changed: 10/02/2012  
State Status Changed: Deemer Date:  
Created By: Sharon Robinson Submitted By: Sharon Robinson  
Corresponding Filing Tracking Number:

### Filing Description:

American Casualty Company of Reading, PA we hereby submit for your review and approval the captioned rates and rules for use with our Healthcare Providers Services Organization Program currently on file with your department.

## Company and Contact

### Filing Contact Information

Sharon Robinson, Regulatory Filings sharon.robinson2@cna.com  
Techician  
40 Wall Street 212-440-7302 [Phone]  
9th Floor 212-440-2877 [FAX]  
New York, NY 10005

### Filing Company Information

American Casualty Company of CoCode: 20427 State of Domicile:  
Reading - PA Group Code: 218 Pennsylvania  
40 Wall Street Group Name: Company Type:  
8th Floor FEIN Number: 23-0342560 State ID Number:  
New York, NY 10005  
(212) 440-3478 ext. [Phone]

## Filing Fees

Fee Required? No  
Retaliatory? No  
Fee Explanation:  
Per Company: Yes

Company	Amount	Date Processed	Transaction #
American Casualty Company of Reading - PA	\$0.00	06/07/2012	

## State Specific

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Refer to our checklists prior to submitting filing ([http://www.idfpr.com/DOI/Prop\\_Cas\\_IS3\\_Checklists/IS3\\_Checklists.htm](http://www.idfpr.com/DOI/Prop_Cas_IS3_Checklists/IS3_Checklists.htm)): OK  
Refer to our updated (04/06/2007) SERFF General Instructions prior to submitting filing. They have been updated to clarify what rates and rules are required to be filed as well as what rates and rules are not required to be filed. Also, the "Product Name" is the Filing Title and not the Project Number.: OK

NO RATES and/or RULES ARE REQUIRED TO BE FILED FOR LINES OF COVERAGE SUCH AS COMMERCIAL AUTO (except taxicabs), BURGLARY AND THEFT, GLASS, FIDELITY, SURETY, COMMERCIAL GENERAL LIABILITY, CROP HAIL, COMMERCIAL PROPERTY, DIRECTORS AND OFFICERS, ERRORS AND OMISSIONS, COMMERCIAL MULTI PERIL just to mention a few. However, a Summary Sheet (RF-3) is required to be filed. Please refer to the State Specific Field below for what rates/rules are required to be filed and to our checklists for specific statutes, regulations, etc. :

[http://insurance.illinois.gov/Prop\\_Cas\\_IS3\\_Checklists/IS3\\_Checklists.asp](http://insurance.illinois.gov/Prop_Cas_IS3_Checklists/IS3_Checklists.asp) .: n/a

Medical Malpractice rates/rules may now be submitted using SERFF effective January 1, 2012.: n/a

The only rates and/or rules that are required to be filed are Homeowners, Mobile Homeowners, Dwelling Fire and Allied Lines, Workers' Compensation, Liquor Liability, Private Passenger Automobiles, Taxicabs, Motorcycles and Group Inland Marine Insurance which only applies to insurance involving personal property owned by, being purchased by or pledged as collateral by individuals, and not used in any business, trade or profession per Regulation Part 2302 which says in part, "each company shall file with the Director of Insurance each rate, rule and minimum premium before it is used in the State of Illinois.": n/a

When selecting a form filing type for a multiple form filing, use the dominant type from these choices: APP - application; CER - certificate; COF - coverage form; DPS - declaration page; END - endorsement; POJ - policy jacket; ORG - Companies adopting an Advisory or Rating Organization's filing. Example: If you are submitting a policy as well as endorsements, a declaration page and an application, you would select "POL" for policy.: OK

<b>State:</b>	Illinois	<b>Filing Company:</b>	American Casualty Company of Reading - PA
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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Gayle Neuman	10/02/2012	10/02/2012

### Objection Letters and Response Letters

#### Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Gayle Neuman	08/22/2012	08/22/2012

#### Response Letters

Responded By	Created On	Date Submitted
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### Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Effective date	Note To Reviewer	Sharon Robinson	10/01/2012	10/01/2012
effective date	Note To Filer	Gayle Neuman	10/01/2012	10/01/2012

<b>State:</b>	Illinois	<b>Filing Company:</b>	American Casualty Company of Reading - PA
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<b>Project Name/Number:</b>	HPSO RPG /12-00330-RL		

## Disposition

Disposition Date: 10/02/2012  
Effective Date (New): 10/15/2012  
Effective Date (Renewal): 10/15/2012  
Status: Filed  
Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
American Casualty Company of Reading - PA	30.000%	4.900%	\$278,083	5,754	\$5,709,964	%	0.000%

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## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	08/22/2012
Submitted Date	08/22/2012
Respond By Date	08/28/2012

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Dear Sharon Robinson,

**Introduction:**

*This is to acknowledge receipt of your filing. Your submission is not acceptable for filing in Illinois due to the following reasons:*

*Please indicate if your company has a plan for the gathering of statistics or the reporting of statistics to statistical agencies? If yes, what stat agency is being used?*

**Conclusion:**

*Sign up to get e-mail notification for updates to the Department's website. <http://insurance.illinois.gov/RSS/>*

*Please refer to the appropriate Property Casualty IS3 Review Requirements Checklist before submitting any filing. The checklists are available at the Department's Web site or at the following link:*

*[http://insurance.illinois.gov/Prop\\_Cas\\_IS3\\_Checklists/IS3\\_Checklists.asp](http://insurance.illinois.gov/Prop_Cas_IS3_Checklists/IS3_Checklists.asp)*

*Please submit compliant form(s) no later than the date shown above or the entire filing may be disapproved. Please be advised that when the Director disapproves the form(s) you must immediately cease using the form(s) in Illinois.*

*Please give this matter your immediate attention. If you have any question regarding this filing please feel free to contact me.*

*Sincerely,*

*Gayle Neuman*

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## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	08/23/2012
Submitted Date	08/23/2012

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Dear Gayle Neuman,

**Introduction:**

Thank you for your correspondence via SERFF dated August 22, 2012. Please note our following response to the issue you raised

**Response 1**

**Comments:**

In response to your request please note that the Insurance Services Office (ISO) is our statistical agent.

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Conclusion:**

Thank you

Sincerely,

Sharon Robinson

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**Project Name/Number:** HPSO RPG /12-00330-RL

## Note To Reviewer

**Created By:**

Sharon Robinson on 10/01/2012 02:46 PM

**Last Edited By:**

Gayle Neuman

## Submitted On:

10/02/2012 09:33 AM

**Subject:**

Effective date

**Comments:**

The filing was not put into effect on July 1, 2012, we would like to request an effective date of 10/15/2012.

Thank you  
Sharon Robinson



**State:** *Illinois* **Filing Company:** *American Casualty Company of Reading - PA*  
**TOI/Sub-TOI:** *11.0 Medical Malpractice - Claims Made/Occurrence/11.0000 Med Mal Sub-TOI Combinations*  
**Product Name:** *Healthcare Providers Services Organization Program*  
**Project Name/Number:** *HPSO RPG /12-00330-RL*

## Note To Filer

**Created By:**

Gayle Neuman on 10/01/2012 02:02 PM

**Last Edited By:**

Gayle Neuman

## Submitted On:

10/02/2012 09:33 AM

**Subject:**

effective date

**Comments:**

The Department of Insurance has now completed its review of the filing referenced above. Originally, American Casualty requested the filing be effective July 1, 2012. Was the filing put in effect on July 1, 2012 or do you wish to have a different effective date? Your prompt response is appreciated.

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## Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1		IL State Pages	1-3	Replacement	10-00089-R	IL HPSO State Pages 2012.pdf
2		CW Pages	1-17	Replacement	09-00025-R	CW Pages 2012-CLEAN.pdf

**COMPANY STATE PAGE FOR  
HEALTHCARE PROVIDERS SERVICE ORGANIZATION  
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**

**I. STATE ENDORSEMENTS**

- A. Professional Liability
- |                      |              |                                       |
|----------------------|--------------|---------------------------------------|
| State Provisions     | G-123846-C12 | Mandatory on all policies             |
| State Amendments     | G-123829-C12 | Mandatory on all policies             |
| State Amendments-ERP | G-123812-A12 | Mandatory on all claims-made policies |
- B. Student Blanket
- |                      |              |                                       |
|----------------------|--------------|---------------------------------------|
| State Provisions     | G-144931-A12 | Mandatory on all policies             |
| State Amendatory     | G-144932-A12 | Mandatory on all policies             |
| State Amendatory-ERP | G-144933-A12 | Mandatory on all claims-made policies |

**II. AMENDED RULES**

- A. Rule XVII, Schedule Rating Plan, is amended by the addition of the following:

The maximum debit or credit to be applied under this plan shall be limited to 25%.

- B. Rule XII, Extended Reporting Period Coverage (Claims Made Only), paragraph H. is deleted in its entirety.

- C. Rule XII, Extended Reporting Period Coverage (Claims Made Only), paragraph J. is deleted in its entirety and replaced with the following:

- J. The factors in the following table shall be applied to the claims-made rate in effect at the beginning of the current policy period:

Years of Prior Claims Made Coverage	Installment Factors Years			Prepaid Factors
	1	2	3	
1	.36	.34	.28	.92
2	.58	.55	.39	1.43
3	.67	.55	.59	1.70
4 or more	.84	.55	.59	1.87

- D. Rule XIV, Premium Payment Plan is deleted in its entirety and replaced with the following:

Quarterly Installment Option:

The Company will offer individual insureds the option to make annual premium payments using quarterly or annual installments. When quarterly installments are selected, the following standards will apply:

- i) An initial payment of no more than 40% of the estimated total premium will be due at policy inception;
- ii) The remaining premium will be spread equally among the second, third, and fourth installments, with the maximum for such installments set at 30% of the estimated total premium, and due 3, 6, and 9 months from policy inception, respectively;
- iii) Installment charges or fees of no more than 1% of the total premium or \$25.00, whichever is less, will be assessed;
- iv) Availability will be subject to a minimum annual premium of \$500; and

**COMPANY STATE PAGE FOR  
HEALTHCARE PROVIDERS SERVICE ORGANIZATION  
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**

- v) Quarterly installments will not be available for premium for any extension of a reporting period.
- vi) There will be no interest charges;
- vii) Any additional premium resulting from changes to policy, mid-term, shall be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to a policy may be billed immediately as a separate transaction.

**III. RATES**

- A. All rates indicated below are for Professional Liability limits of \$1,000,000 each claim, with a \$6,000,000 annual aggregate.

CLASS	EMPLOYED	SELF-EMPLOYED
I A	87	242
B	102	343
C	102	286
II	102	343
III A	106	380
B	102	286
C	102	200
D	102	110
E	106	380
IV A	150	429
B	93	182
C	115	323
V	172	343
VI A	172	200
B	200	343
VII A	229	1,087
B	172	200
VIII A	183	263
B	166	239
C	86	86
IX A	164	514
B	83	234
X	---	---
XI A	829	1,022
B	1,170	1,446
C	1,513	1,869
D	1,858	2,295
E	275	N/A
F	592	729
XII	90	154
XIII	68	286
XIV	56	200
XV A	125	300
B	450	950
C	125	330
D	125	265

**COMPANY STATE PAGE FOR  
HEALTHCARE PROVIDERS SERVICE ORGANIZATION  
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**

**III. RATES (Cont.)**

Counties: Cook, DuPage, Madison, St.Clair

XVI	A	5,324	5,324
	B	6,655	6,655
	C	7,986	7,986
	D	156	N/A
	E	5,324	5,324

Remainder of State

XVI	A	4,398	4,398
	B	5,498	5,498
	C	6,597	6,597
	D	156	N/A
	E	4,398	4,398

XVII	A	804	804
	B	156	N/A

**B. Student Rates**

The minimum rate for an individual healthcare student is \$35, except where otherwise specified in class rate schedule III. A.

**C. General Liability**

Base General Liability limits of \$1,000,000 for each claim, with a \$1,000,000 annual aggregate may be purchased for \$150 minimum base rate subject to the provisions of rule XIX. F.

**D. Student Blanket**

The rate is \$13 per student for all specialties at \$1,000,000/\$5,000,000 limit of liability.

**E. A 10% debit will apply to all Firms ~~except Nurse Practitioner Firms.~~**

**COMPANY PAGES FOR  
HEALTHCARE PROVIDERS SERVICE ORGANIZATION  
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**

**I. APPLICATION OF MANUAL RULES**

- A. The rules contained in these pages shall govern the writing of Professional Liability policies for Healthcare Provider specialties described in Section XV below.
- B. The rules, rates, rating plans and forms filed on behalf of the Company and not in conflict herewith, shall govern in all cases not specifically provided for herein.

**II. POLICY TERM**

Policies may be written for a term of one year, and renewed annually thereafter.

**III. PREMIUM COMPUTATION**

- A. Compute the premium at policy inception using the rates and rating plans in effect at that time. At each renewal, compute the premium using the rules, rates and rating plans then in effect.
- B. Prorate the premium when a policy is issued for other than a whole year.
- C. Premiums are calculated as specified for the respective coverage. Premium rounding will be done at each step of the computation process in accordance with the Whole Dollar Rule, as opposed to rounding the final premium.

**IV. FACTORS OR MULTIPLIERS**

Wherever applicable, factors or multipliers are to be applied consecutively and not added together.

**V. WHOLE DOLLAR RULE**

In the event the rating procedure does not result in a whole dollar:

- A. any amount involving \$.50 or over shall be rounded to the next highest whole dollar amount;
- B. any amount involving \$.49 or less shall be rounded down to the next lower whole dollar amount.

**VI. ADDITIONAL PREMIUM CHARGES**

- A. Prorate all changes requiring additional premium.
- B. Apply the rates and rules that were in effect at the inception date of this policy period. After computing the additional premium, charge the amount applicable from the effective date of the change.

**VII. RETURN PREMIUM**

- A. Compute return premium at the rates used to calculate the policy premium at the inception of this policy period.
- B. Compute return premium pro rata and round in accordance with the Whole Dollar Rule when any coverage or exposure is deleted or an amount of insurance is reduced.

**COMPANY PAGES FOR  
HEALTHCARE PROVIDERS SERVICE ORGANIZATION  
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**VIII. DECREASED LIMITS OF LIABILITY**

When lower limits are offered, they will be provided on the following basis:

<b>Limits of Liability</b>	<b>Decreased Limit Factor</b>
\$100,000 / \$300,000	.64
\$100,000 / \$500,000	.65
\$200,000 / \$600,000	.69
\$250,000 / \$750,000	.71
\$200,000 / \$1,000,000	.71
\$500,000 / \$500,000	.76
\$500,000 / \$1,000,000	.79
\$500,000 / \$2,500,000	.83
\$1,000,000 / \$1,000,000	.94
\$1,000,000 / \$2,000,000	.95
\$1,000,000 / \$3,000,000	.96
\$1,000,000 / \$5,000,000	.98

Rates are derived using the standard \$1,000,000 / \$6,000,000 base rates.

**IX. INCREASED LIMITS OF LIABILITY**

When higher limits are offered, they will be provided on the following basis:

<b>Limits of Liability</b>	<b>Increased Limit Factor</b>	<b>Minimum Premium</b>
\$1,000,000 / \$7,000,000	1.02	\$25
\$1,000,000 / \$8,000,000	1.03	\$30
\$2,000,000 / \$4,000,000	1.15	\$40
\$2,000,000 / \$5,000,000	1.17	\$50
\$2,000,000 / \$6,000,000	1.18	\$65
\$2,000,000 / \$7,000,000	1.19	\$75
\$2,000,000 / \$8,000,000	1.20	\$80

Rates are derived using the standard \$1,000,000 / \$6,000,000 base rates.

**X. POLICY CANCELLATIONS**

Return premium will be computed pro-rata in accordance with the Whole Dollar Rule using the rules, rates and rating plans in effect at the inception of this policy period.

**XI. RESTRICTIONS OF COVERAGE OR INCREASED RATE**

Subject to individual state regulations, policies may be issued with special restrictions or at increased premium if:

- A. the insured agrees in writing; and
- B. the policy would not be written otherwise.

**COMPANY PAGES FOR  
HEALTHCARE PROVIDERS SERVICE ORGANIZATION  
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**

**XII. EXTENDED REPORTING PERIOD COVERAGE (Claims Made Only)**

If this policy is cancelled or non-renewed and subject to the following provisions, an extension period, for the purpose of reporting a claim, will be provided automatically for 60 days, and may be extended beyond that as governed by the following rules:

- A. The limits of liability may not exceed those afforded under the terminating policy.
- B. Extended Reporting Period Coverage will be available to the named insured shown on the certificate of insurance.
- C. Should the named insured terminate coverage under this policy, and desire Extended Reporting Period Coverage beyond the automatic 60 days, notice must be given to the Company, along with payment of the applicable premium, within 60 days.
- D. Upon termination of coverage under this policy by reason of death, the deceased's unearned premium for this coverage will be waived and Extended Reporting Period Coverage will be granted for no additional charge.
- E. Upon termination of coverage under this policy by reason of disability or retirement by the named insured, Extended Reporting Period Coverage will be granted for no additional charge provided that, during the policy period:
  - 1. total and permanent disability occurs; or
  - 2. the named insured retires during the policy period and:
    - a. is 55 years of age or older and has been insured by this Company for at least 5 years of claims-made coverage; or
    - b. has been insured by us for at least 10 years of claims-made coverage.
- F. The prior acts date of coverage with this Company will determine the years of prior exposure for Extended Reporting Period Coverage.
- G. In the event the policy is canceled, any return premium due the named insured shall be credited toward the premium for Extended Reporting Period Coverage, if the named insured elects this coverage. If any premium is due for the period of time between the earlier of the policy's Prior Acts date or effective date and the termination date, any monies received by the Company from the named insured shall first be applied to the premium owing for the policy and then to the Extended Reporting Period Coverage.
- H. There is no right to any extended reported period coverage if this policy is cancelled for non payment of premium, non compliance with any of the terms and condition of this policy or for any misrepresentation or omission in the application for this policy.
- I. Extended Reporting Period Coverage will be granted with the following discounts, subject to the Extended Reporting Provisions of the Policy and the following schedule:

<b>Consecutive Years of Coverage with ACCO</b>	<b>Discount</b>
10	Free
9	90%
8	80%
7	70%
6	60%
5	50%
4	40%
3	30%
2	20%
1	10%



**COMPANY PAGES FOR  
HEALTHCARE PROVIDERS SERVICE ORGANIZATION  
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- J. The factors in the following table shall be applied to the mature claims-made rate in effect at the beginning of the current policy period:

Years of Prior Claims Made Coverage	Installment Factors Years			Prepaid Factors
	1	2	3	
1	.36	.34	.28	.92
2	.58	.55	.39	1.43
3	.67	.55	.59	1.70
4 or more	.84	.55	.59	1.87

**XIII. PRIOR ACTS COVERAGE (Occurrence only)**

The policy may be extended to provide prior acts coverage as follows:

- A. The prior acts period may not exceed the term immediately preceding coverage under this policy during which similar coverage was continuously provided under a claims made policy, nor shall limits of liability exceed those of the claims-made policy or the occurrence policy to which the prior acts endorsement shall be applied.
- B. The premium for Prior Acts Coverage is a one time only charge payable in advance or over the first three policy years in annual installments, but calculated in advance by applying the applicable factors from the table below to the current rate under this policy for limits of \$1,000,000/6,000,000 per occurrence.
- C. If the limit of liability under this coverage is other than \$1M/6M per occurrence, the premium developed under B above shall be adjusted by the appropriate increased or decreased limits factor.
- D. The premium will be charged annually, but calculated in advance:
  1. Determine the current premium under this policy for limits of \$1M/6M per occurrence;
  2. Enter the factor for the appropriate Prior Acts Period;
  3. Apply factor (s) successively for the desired number of years of Prior Acts;
  4. Apply the appropriate Increased/Decreased Limits Factor.

Prior Acts Period	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	Prepaid Factors
1 year prior	.47	.28	.26	0.94
2 years prior	.70	.43	.40	1.42
3 years prior	.81	.44	.46	1.64
4+ years prior	.87	.53	.50	1.76

**XIV. PREMIUM PAYMENT PLAN**

The Company may, at its discretion, offer to the named insured various premium payment options, ranging from monthly to annual payment plans. Some of the premium payment plans may result in a service fee of \$5 per payment.

**COMPANY PAGES FOR  
HEALTHCARE PROVIDERS SERVICE ORGANIZATION  
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**XV. ISO CLASSIFICATION CODES**

<b>Class</b>	<b>Description</b>	<b>ISO CODE</b>
<b>I</b>	<b>A</b> Occupational Therapists	80721
	Occupational Therapy Assistant	80721
	Certified Occupational Therapy Assistant	80721
	<b>B</b> Respiratory Care Provider	80717
	Respiratory Therapist	80717
	<b>C</b> Respiratory Therapist Technician/Technologist	80717
	Chiropractic Assistant	80411
	Optometric Technician/Assistant	80944
	Podiatric Assistant	80943
<hr/>		
<b>Class</b>	<b>Description</b>	<b>ISO CODE</b>
<b>II</b>	Art Therapist	80967
	Dance Therapist	80967
	Music Therapist	80967
	Recreation Therapist	80945
<hr/>		
<b>Class</b>	<b>Description</b>	<b>ISO CODE</b>
<b>III</b>	<b>A</b> LPN/LVN – Excludes Cosmetic Procedures	80963
	Registered Nurse – Excludes Cosmetic Procedures	80964
	<b>B</b> Dietician	80720
	Nutritionist	80720
	<b>C</b> Bio-medical Technician/Technologist	80719
	Blood Bank Technician/Technologist	80719
	Cardiology Technician/Technologist	80719
	Certified Lab Technician/Technologist	80711
	Certified Medical Assistant	80719
	Clinical Lab Technician/Technologist	80711
	Community Health Assistant	80719
	Community Health Technician/Technologist	80719
	Diagnostic Medical Sonographer	80719
	Dialysis Technician/Technologist	80719
	EEG Technician/Technologist	80719
	EKG Technician/Technologist	80719
	Electrologist	80719
	Histologic Technician/Technologist	80719
	Medical Assistant	80719
	Medical Laboratory Technician/Technologist	80711
	Medical Records Administrator	80711
	Medical Records Technician/Technologist	80719
	Medical Technician	80719
	Medical Technician/Technologist Assistant	80719
	Medical Technologist	80719

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**XV. ISO CLASSIFICATION CODES (continued)**

<b>Class</b>	<b>Description</b>	<b>ISO CODE</b>
<b>III C</b>	Mental Retardation Workers	80711
	Nuclear Medical Technician/Technologist	80719
	Phlebotomist	80719
	Radiation Therapist	80713
	Radiology Technician/Technologist	80719
	Surgical Technician/Technologist	80129
	X-Ray Machine Operator	80713
<b>D</b>	Home Health Aide	80618
<b>E</b>	Clinical Nurse Specialist-No Prescriptive Authority	80965
<b>Class</b>	<b>Description</b>	<b>ISO CODE</b>
<b>IV A</b>	Pharmacist	59112
	Pharmacy Technician	59112
	Pedorthist	80943
<b>Class</b>	<b>Description</b>	<b>ISO CODE</b>
<b>V</b>	Circulation Tech	80945
	Perfusionist	80945
<b>Class</b>	<b>Description</b>	<b>ISO CODE</b>
<b>VI A</b>	Massage Therapist	80718
	Enterostomal Therapist	80945
	Orthopedic Assistant	80943
<b>Class</b>	<b>Description</b>	<b>ISO CODE</b>
<b>VII A</b>	Athletic Trainer	80945
	Exercise Physiologist	80945
	Fitness Professional	80945
	Health Educator	80711
	Kinesiologist	80945
	Personal Trainer, Certified	80945
	Sports Medicine Instructor	80945
<b>Class</b>	<b>Description</b>	<b>ISO CODE</b>
<b>VIII A</b>	Paramedic	80723
	Basic / Intermediate Emergency Medical Technician	80723
	Volunteer Emergency Medical Technician	80723
<b>Class</b>	<b>Description</b>	<b>ISO CODE</b>
<b>IX A</b>	Physical Therapist	80995
	Rehabilitation Therapist	80995
	Kinesiotherapist	80945
	Sports Medicine Therapist	80945
	Corrective Therapist	80945
<b>B</b>	Physical Therapist Assistant	80995
	Rehabilitation Assistant	80995

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**XV. ISO CLASSIFICATION CODES (continued)**

<b>Class</b>	<b>Description</b>	<b>ISO CODE</b>
<b>X</b>	No specialties in this class	

  

<b>Class</b>	<b>Description</b>	<b>ISO CODE</b>
<b>XI</b>	<b>Nurse Practitioners/Clinical Nurse Specialists</b>	
<b>A</b>	Adult / Geriatric / Family Planning / Gynecology / Women's Health / Adult Oncology /RN Including Cosmetic Procedures	80965
<b>B</b>	Psychiatric	80965
<b>C</b>	Pediatric / Neonatal / Family Practice / Acute Critical Care,	80965
<b>D</b>	Obstetrics / Gynecology / Perinatal / Acute Care Obstetrics / Cosmetic	80965
<b>E</b>	Nurse Practitioner Student	80965
<b>F</b>	Clinical Nurse Specialist - Educator, Consultant, Administrator and Researcher	80965

  

<b>Class</b>	<b>Description</b>	<b>ISO CODE</b>
<b>XII</b>	Audiologists	80716
	Speech Language Pathologist	80716
	Speech Hearing Therapist	80716

  

<b>Class</b>	<b>Description</b>	<b>ISO CODE</b>
<b>XIII</b>	Dental Hygienists	80712

  

<b>Class</b>	<b>Description</b>	<b>ISO CODE</b>
<b>XIV</b>	Dental Assistants	80712
	Laboratory Aide	80711
	Nurses Aide	80964
	Geriatric Nursing Assistant	80963
	Nursing Assistant	80963
	Physical Therapy Aide	80995
	Other Healthcare Aide (Excluding Home Health Aides)	80711

  

<b>Class</b>	<b>Description</b>	<b>ISO CODE</b>
<b>XV</b>	<b>A</b> Social Worker Clinical	80723
	<b>B</b> Psychotherapist / Psychologist	80723
	<b>C</b> Alcohol/Drug Counselor	80723
	Case Manager	72990
	Clinical/Rehabilitation Counselor	80723
	Pastoral Counselor	80723
	School Counselor	80723
	<b>D</b> Marriage/Family Counselor	80723

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**XV. ISO CLASSIFICATION CODES (continued)**

<b>Class</b>	<b>Description</b>	<b>ISO CODE</b>
<b>XVI</b>	<b>A</b> Physician Assistant Class 1	80116
	A PA who performs tasks ordinarily reserved for the Physician and who works under the direction and supervision of a licensed physician to assist the physician in the management of patients.	
	<b>B</b> Physician Assistant Class 2	80116
	A PA who is involved in any of the following: Assisting in surgery (other than observation) Trauma/Emergency room procedures/responsibilities (10 hours or less per week) Prenatal or Postnatal care Assisting in anesthesiology	
	<b>C</b> Physician Assistant Class 3	80116
	A PA who is involved in any of the following: Orthopedic surgery OB/GYN Surgery Cardiovascular Surgery Thoracic Surgery Trauma/Emergency Room – Greater than 10 hours/week OB including delivery room responsibilities Exposure to Cardiac Catheterization lab Cosmetic Procedures	
	<b>D</b> Physician Assistant Student	80116
	<b>E.</b> Registered Radiologist Assistant	80116
<b>Class</b>	<b>Description</b>	<b>ISO Code</b>
<b>XVII</b>	<b>A</b> Acupuncturist	80966
	<b>B</b> Acupuncturist Student	80966

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**XVI. CALCULATION OF PREMIUM**

- A. The premium for the policy shall be the sum of the applicable charges developed below:
- B. If more than one classification is applicable, the higher rated classification will be used for rating.
- C. The annual occurrence form base rate for each Healthcare Provider is stated on the state rate page.
- D. The annual claims made form rate for each Healthcare Provider shall be determined for Classes I through XVI as follows:
  1. If the Healthcare Provider is just entering practice, or the Healthcare Provider has continuously been insured under an occurrence policy, enter the step rate factor from the table at the year one level.
  2. If the Healthcare Provider has been insured under a claims-made policy, for one or more years immediately preceding the effective date of this coverage, or for reasons acceptable to the Company had been uninsured, the following procedure shall apply:
    - a. determine the number of years in which the Healthcare Provider was covered under such claims-made policy (ies);
    - b. determine the number of years in which the Healthcare Provider was uninsured;
    - c. the sum of years developed in a. and b. shall be the base exposure. Fractional years of six months or more of base exposure shall be rounded to the next higher year; less than six months shall be rounded to the next lower year;
    - d. the sum of years developed in c. above shall be the Years of Prior Exposure. The table is entered at the total prior Years of Exposure, plus one.

The factors in the following table shall be applied to the full time Class I though XVII rate, found on the State Page:

	<b>Step Rate Factors</b>				
<b>Class</b>	Year 1	Year 2	Year 3	Year 4	Year 5
I through XVII	.32	.57	.77	.84	.99

**XVII. SCHEDULE RATING**

When applicable, apply the appropriate debit or credit based upon the following risk characteristics, subject to state specific limitations regarding on Schedule Rating:

	<u>CREDIT</u>	<u>DEBIT</u>
<i>Procedure Mix</i>	0 - 25%	0 - 25%
Applicable to insureds whose procedures or practice specialties are primarily concentrated in areas other than their practice classification and/or specialty.		
<i>Exposure Modification</i>	0 - 25%	0 - 25%
Applicable to those insureds who have an increased or reduced exposure.		
<i>Unusual Risk Characteristics</i>	0 - 25%	0 - 25%
<i>Continuing Education</i>	0 - 25%	0 - 25%
Applicable to insureds who are involved in a CNA approved continuing education program other than risk management programs.		

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**XVIII. RULES FOR INDIVIDUALS**

The following rules apply to eligible employed individuals and self employed non incorporated individuals only:

**A. Coverage**

The following coverage will be provided:

1. Professional Liability including Good Samaritan Liability, Personal Injury Liability and Malplacement Liability on an occurrence or claims-made basis;
2. License Protection including wage loss, travel, food and lodging (up to \$500 per proceeding) and legal defense costs (up to \$150/hour);
3. Defendant Expense Benefit;
4. Deposition Representation;
5. Assault;
6. Medical Payments;
7. First Aid;
8. Damage to Property of Others;
9. Workplace Liability; and
10. Personal Liability.

**B.** The following are the base limits used for premium calculation. Availability of limits by specialty or state may be restricted by underwriting guidelines:

<b>Coverage</b>	<b>Limits of Liability</b>	
Professional Liability	\$ 1,000,000 each claim	\$ 6,000,000 aggregate
Good Samaritan Liability	\$ included in PL limit above	
Personal Injury Liability	\$ included in PL limit above	
Malplacement Liability	\$ included in PL limit above	
License Protection	\$	\$ 25,000 aggregate
Defendant Expense Benefit	\$ 1,000 per day limit	\$ 25,000 aggregate
Deposition Representation	\$	\$ 10,000 aggregate
Assault	\$	\$ 25,000 aggregate
Medical Payments	\$ 25,000 per person	\$ 100,000 aggregate
First Aid	\$	\$ 10,000 aggregate
Damage to Property of Others	\$	\$ 10,000 aggregate

**C. Supplemental Modifications – Individuals**

At no time will the total credit under this section exceed 50%.

**1. New Healthcare Providers**

A new Healthcare Provider is defined as a Healthcare Provider who has completed the training in their specialty within the previous twelve (12) months, and who is applying for coverage as a non-incorporated individual. The credit will be a 50% credit for the first year or 25% for nurse practitioners. If application of the credit results in a rate which is less than the rate for another specialty for which the Healthcare Provider is covered, the higher rate will apply without discount.

This credit is not available if the policy is issued as claims made.

**2. Additional Insureds**

Where eligible, additional insured coverage may be added on a shared limit of liability basis. The rate will be 5% of the policy premium each, subject to a minimum premium of

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\$165 each. Such Additional Insured shall be covered for their vicarious liability only as their interest appears.

**3. Part Time**

Individual Healthcare Provider who works 24 or fewer hours per week may be eligible for restricted coverage at a rate reduction of 50% subject to a minimum premium. Physician Assistants will be eligible for restricted coverage at a rate reduction of 35% subject to a minimum premium.

- a. When part time rates result in a premium that is less than \$110, the part time base rate will be the lesser of either the individual's full time base rate or \$110.
- b. Part time rate is available to an employed individual who works 24 or fewer hours per week in a self-employed capacity for that individual's self-employed pursuits.
- c. The part time rate reduction is not available for nurse practitioners and may be further restricted by underwriting guidelines.

**4. Retirement/Leave**

An Individual Healthcare Provider who is not actively employed as a Healthcare Provider but maintains an active license may be eligible for restricted coverage at a rate reduction of 50%. The reduced rate may be applied retroactively to the first day of retirement/leave, on the condition that the Company is notified within ten (10) days of the retirement/leave. If the company is notified at a later date, the discount may be applied as of the date the Company received the notice. This credit will not apply to firms or self employed incorporated individuals.

**5. Individual Risk Management Credit**

A credit of 10% will be applied to the annual premium applicable to an individual Healthcare Provider who:

- a. attends a CNA approved loss prevention seminar, workshop, or other loss prevention program. Such credit will be applied for a three year period; or
- b. provides evidence of CNA approved; association membership, or achievement of healthcare specialization certification, or attendance at course work during an association or healthcare specialty conference/meeting - each intended to promote enhanced risk management practice and patient safety. Such credit will be eligible for annual application.

**6. Consulting Services Liability**

Consulting Services Liability coverage may be added to the policy on a shared limit basis. The rate will be \$25. Consulting Services Liability provides Errors and Omissions coverage for non-medical incidents while performing Consulting, Educating or Training Services in the Healthcare Provider's area of specialization.

**7. Case Management Services Liability**

Case Management Services Liability coverage may be added to the policy on a shared limit basis. The rate will be \$25. Case Management Services Liability provides Errors and Omissions coverage for non-medical incidents while performing Case Management duties such as assessing and coordinating treatment options, managing a patient's total care to ensure optimum outcome or utilization review.

**8. Damage to Property of Others**

Optional Damage to Property of Others aggregate limit may be increased to \$25,000 for a charge of \$50.00.



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**XIX. RULES FOR FIRMS**

The following rules are applicable to Firms. Firms include corporations, partnerships, organizations, sole proprietorship or self employed incorporated individuals.

**A. Coverage**

The following coverage will be provided to Firms on a shared limit of liability basis:

1. Professional Liability including Good Samaritan Liability, Personal Injury Liability and Malplacement Liability on an occurrence or claims-made basis;
2. License Protection including wage loss, travel, food and lodging (up to \$500 per proceeding) and legal defense costs (up to \$150/hour);
3. Defendant Expense Benefit;
4. Deposition Representation;
5. Assault;
6. Medical Payments;
7. First Aid;
8. Damage to Property of Others

**B. Limits of Liability**

The following are the base limits used for premium calculation. Availability of limits by specialty or state may be restricted by underwriting guidelines:

<b>Coverage</b>	<b>Limits of Liability</b>	
Professional Liability	\$ 1,000,000 each claim	\$ 6,000,000 aggregate
Good Samaritan Liability	\$ included in PL limit above	
Personal Injury Liability	\$ included in PL limit above	
Malplacement Liability	\$ included in PL limit above	
License Protection	\$	\$ 25,000 aggregate
Defendant Expense Benefit	\$ 1,000 per day limit	\$ 25,000 aggregate
Deposition Representation	\$	\$ 10,000 aggregate
Assault	\$	\$ 25,000 aggregate
Medical Payments	\$ 25,000 per person	\$ 100,000 aggregate
First Aid	\$	\$ 10,000 aggregate
Damage to Property of Others	\$	\$ 10,000 aggregate

*General Liability is available as an optional coverage.*

**C. Firm Rates & Policy Minimum**

1. The base rate for each healthcare professional will be the higher of the self employed rate shown on the State Rate page or \$300 each.
2. The base rate for each aide, technician or assistant will be the higher of the self employed rate shown on the State Rate page or **\$200**.
3. The base rate for home healthcare aide will be **the self-employed rate shown on the State Rate Page for class III.D.**
4. The following minimum premium per policy shall apply to all firms.

Nurse Practitioner Firms <b>of 2 or more</b>	\$2,500
Physical Therapy Firms of 15 or more	\$5,000

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Staffing Firms of 6 or more headcount	\$2,500
Home Health Firms of 6 or more headcount	\$2,000
All other Firms	\$500

**D. Full Time Equivalents (FTE)**

For calculating headcount, where applicable, full time equivalents may be utilized for Firms. Full time is defined as 40 hours a week. The total number of hours per week for each profession will be divided by 40 to determine the number of full time equivalents for that profession.

The full time equivalent rule is subject to minimum policy premium and minimum headcount to FTE ratios.

**E. Supplemental Modifications - Firms**

**1. Size of Business**

A credit will be given based on the number of Healthcare Providers associated with the business. The following will be applied:

# of providers	Credit
2 - 9	4%
10 - 14	8%
15 or more	12%

**2. Business Loss Prevention Credit**

A credit of 5% will be applied to a firm who maintains a CNA approved loss prevention program, seminar or workshop for its employees. This credit will be applied for a one year period, and will be reviewed annually.

**3. Debits will be added based on the presence of the following:**

Category	Debit
Registry/Staffing	A surcharge of 25% of developed premium before debits/credits will be added to Firms that provide staffing to other facilities, firms or locations.
Background Check	A surcharge of 10% of developed premium before debits/credits will be added to Firms not performing background checks on their employees and independent contractors.
Nursing Home/Assisted Living/LTC	A surcharge of 25% of developed premium before debits/credits will be added to Firms that do more than 50% staffing of Nursing Home Facilities or Assisted Living Centers.
High Tech/Critical Care	A surcharge of 25% of developed premium before debits/credits will be added to Firms performing High Tech (i.e. Trach care, Ventilator care, Chemotherapy, etc.) or Critical Care.

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**4. Separate Limits**

Separate Limits are optional. When selected, the following debit structure is applied based upon the corresponding number of employees:

<b># of ratable employees</b>	<b>Debit</b>
1	10.0%
2 - 9	12.0%
10 - 14	15.5%
15 or more	17.5%

**F. General Liability**

- Optional General Liability coverage may be purchased by self-employed incorporated individuals or firms with a \$1,000,000 aggregate limit. The annual rate is stated on the state rate page for the first facility based practice location.
- When a firm has multiple practice locations, and requests General Liability coverage, a \$50 charge per additional practice location will apply.
- When a firm provides home healthcare, staffing or fitness, the annual rate will be 25% of the developed Professional Liability rate, subject to \$150 per policy minimum.
- Other limits are available and associated with the following factors (which are with respect to the \$1M/\$1M rate).

<b>Increased Limit</b>	<b>Increased Limit Factor</b>
\$1,000,000 / \$1,000,000	1.00
\$1,000,000 / \$2,000,000	1.13
\$1,000,000 / \$3,000,000	1.21
\$1,000,000 / \$4,000,000	1.28
\$1,000,000 / \$5,000,000	1.33
\$1,000,000 / \$6,000,000	1.37
\$1,000,000 / \$7,000,000	1.39
\$1,000,000 / \$8,000,000	1.40
\$2,000,000 / \$4,000,000	1.98
\$2,000,000 / \$5,000,000	2.00
\$2,000,000 / \$6,000,000	2.01
\$2,000,000 / \$7,000,000	2.02
\$2,000,000 / \$8,000,000	2.03

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**G. Deductibles**

When deductible options are requested or required, the following credits should be applied to the developed policy premium. When General Liability is offered, the same deductible amount must be provided for both Professional Liability and General Liability.

Amount	Credit
\$0	0%
\$1,000	1%
\$2,500	2.5%
\$5,000	5%
\$10,000	10%
\$15,000	11%
\$20,000	13%
\$25,000	15%

**H. Additional Insured**

Where eligible, additional insured coverage may be added to the policy on a shared limits of liability basis. The rate will be 5% of the policy premium each subject to a minimum premium of \$165 each. Such Additional Insured shall be covered for their vicarious liability only as their interest appears.

**I. Consulting Services Liability**

Consulting Services Liability coverage may be added to the policy on a shared limit basis. The rate will be \$25 for each Consultant. Consulting Services Liability provides Errors and Omissions coverage for non-medical incidents while performing Consulting, Educating or Training Services in the Firm's area of specialization.

**J. Case Management Services Liability**

Case Management Services Liability coverage may be added to the policy on a shared limit basis. The rate will be \$25 for each Case Manager. Case Management Services Liability provides Errors and Omissions coverage for non-medical incidents while performing Case Management duties such as assessing and coordinating treatment options, developing treatment plans or managing a patient's total care.

**K. Medical Director or Administrator Liability**

Medical Director or Administrator coverage may be added to the policy on a Sub-limit basis. The Limit of Liability for this coverage: \$100,000 Each Claim / \$300,000 Aggregate is a sub-limit of the Professional Liability Limit shown on the Certificate of Insurance. The rate for each Medical Director or Administrator will be \$500 or 10% of the base premium, whichever is higher. The Medical Director or Administrator Liability endorsement extends Professional Liability coverage to include Administrative Services provided by a Physician or other Administrator.

**L. Damage to Property of Others**

Optional Damage to Property of Others aggregate limit may be increased to \$25,000 for a charge of \$50.00.

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**XX. RULES FOR SCHOOL BLANKET**

The following rules are applicable to the School Blanket Policy for Healthcare Provider Students  
**ISO Code: 80998.**

**A. Coverage**

The following coverage will be provided to School Blanket on a shared limit of liability basis:

1. **Professional Liability** coverage for damages as a result of a claim arising out of a medical incident or personal injury out of the supplying of, or failure to supply services by a student or faculty and advisor of the named insured school; including vicarious liability for the school; includes **Personal Injury Liability**.
2. Grievance Proceedings
3. Defendant Expense Benefit
4. Deposition Representation
5. Assault
6. Medical Payments
7. First Aid
8. Damage to Property of Others

**B. Limits of Liability**

The following are the base limits used for premium calculation. Availability of limits by specialty or state may be restricted by underwriting guidelines:

Coverage	Limits of Liability			
Professional Liability	\$ 1,000,000	each claim	\$ 5,000,000	aggregate
Personal Injury Liability	\$ included in PL limit above			
Grievance Proceedings	\$ 1,000	per proceeding	\$ 10,000	aggregate
Defendant Expense Benefit	\$		\$ 10,000	aggregate
Deposition Representation	\$ 1,000	per incident	\$ 5,000	aggregate
Assault	\$ 1,000	per incident	\$ 25,000	aggregate
Medical Payments	\$ 2,000	per person	\$ 100,000	aggregate
First Aid	\$ 500	per incident	\$ 25,000	aggregate
Damage to Property of Others	\$ 250	per incident	\$ 10,000	aggregate

**C. School Rates & Policy Minimum**

1. Calculations will be made based on the estimated number of students (total annual headcount) in each of the covered curricula at the inception of the policy period.
2. Premium will be collected or returned for additions or deletions if the change modifies the student count by 25% or more when the change occurs during the first six months of the policy term. If the change occurs in the second half of the policy term, the policy will be reconciled at renewal.
3. A \$300 minimum annual premium shall apply to each School Blanket policy.

**D. Supplemental Modifications – School Blanket**

Modifications developed under the following shall be summed and applied as a single factor, subject to a maximum credit of 25%. Such credits shall apply on a one year basis, and will be subject to annual review.

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**1. Claim-Free Credit**

A 10% credit applies if there have been no claims reported to the Company during the past three policy periods and the Company has provided coverage during each of those policy periods.

**2. Longevity Credit**

At the inception of a fourth consecutive policy period, a 5% credit will be granted to a school that has been insured in this program for the three preceding years.

**3. Size of School Modification**

The following credits will be applied based on the number of students covered on the policy:

<b>Number of Students</b>	<b>Credit</b>
500 – 1,000	5%
1,001- 2,499	10%
2,500+	15%

**E. Additional Insured**

Additional insured requests for a landlord, government organization, charity or religious organization may be added to the policy on a shared limit of liability basis for no additional charge. Such additional insured shall be covered for their vicarious liability only as their interest appears.

<b>State:</b>	Illinois	<b>Filing Company:</b>	American Casualty Company of Reading - PA
<b>TOI/Sub-TOI:</b>	11.0 Medical Malpractice - Claims Made/Occurrence/11.0000 Med Mal Sub-TOI Combinations		
<b>Product Name:</b>	Healthcare Providers Services Organization Program		
<b>Project Name/Number:</b>	HPSO RPG /12-00330-RL		

## Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	Explanatory Memorandum		
Comments:			
Attachment(s):			
IL Actuarial Memo 2012.pdf			

		Item Status:	Status Date:
Satisfied - Item:	Form RF3 - (Summary Sheet)		
Comments:			
Attachment(s):			
IL RF-3 2012.pdf			

		Item Status:	Status Date:
Satisfied - Item:	Certification		
Comments:			
Attachment(s):			
Illinois MedMal Certification 2012.PDF			

		Item Status:	Status Date:
Satisfied - Item:	Manual		
Comments:	Please refer rate schedule tab		

American Casualty Company of Reading, PA  
Healthcare Providers Service Organization  
Professional Liability  
ILLINOIS

Filing # 12-00330

**Actuarial Memorandum**

American Casualty Company of Reading Pennsylvania (ACCO) is proposing a number of changes to its Healthcare Providers Service Organization (HPSO) program. These changes result in an overall impact of 4.9% and are shown in the Rate Impact Exhibit. These changes are itemized below.

**Changes to Countrywide Pages**

Due to the overall program rate need of 19.1% countrywide (refer to Exhibit II, Sheet 3 in file "Supporting Actuarial Exhibits 2012"), we are proposing the following changes. Unless otherwise noted, all changes have an impact and are shown in the Rate Impact Exhibit.

1. Part Time, Section XVIII C 3 a. We are increasing the minimum rate for Part Time Individual Healthcare Providers to \$110. For classes where the full-time base rate is less than \$110, the part time base rate will continue to be the lesser of either the individual's full time base rate, or \$110. Additionally we have modified the verbiage slightly to make the intent of the statement more clear. Only the dollar amount change has an impact; the rest of the verbiage change has no impact.
2. Firm Rates & Policy Minimum, Section XIX C 2. We are amending this rule to state that the base rate will be the higher of the self-employed rate shown on the State Rate page or \$200.
3. Firm Rates & Policy Minimum, Section XIX C 3. We are modifying this rule to remove the reference to a specific dollar amount. Instead the base rate for Home Health Aides will be the self-employed rate shown on the State Rate Page for Class III D. As a result of this, the base rate for Home Health Aides, Class III D, will increase to \$110 as shown in the state pages instead of the \$100 that was shown in this rule in the prior countrywide pages.
4. Firm Rates & Policy Minimum, Section XIX C 4. We are updating the minimum premium definitions in this section.
  - We removed the language stating that the self-employed individual rate shall apply as the minimum premium for incorporated individuals with no employees (i.e., Firms with one employee only). As a result, all Firm types not otherwise specifically noted in Section XIX C 4 will now be subject to the "All Other Firms" minimum premium of \$500.
  - For Nurse Practitioner Firms the minimum premium will still only apply to Firms with two or more practitioners. Therefore in order to not impact the Nurse Practitioner firms with the deletion of the language described in the bullet point above, we are adding "of 2 or more" for Nurse Practitioner Firms. This is for clarification purposes only and has no rate impact.
  - A minimum premium of \$2,500 for Staffing Firms of 6 or more has been added.
  - A minimum premium of \$2,000 for Home Health Firms of 6 or more has been added.

**Changes to State Pages**

Due to poor experience in the HPSO program, we are proposing the following rate increases. Please refer to the state rate pages, Section III A:

1. We are proposing an increase to the base rate for Registered Nurses from \$345 to \$380 (10.0%) for Self-Employed Nurses. Please refer to the state rate pages, Section III A, Class III A and E.
2. We are proposing an increase to the base rate for Pharmacists from \$146 to \$150 (+2.5%) for Employed Pharmacists and \$390 to \$429 (+10.0%) for Self-Employed Pharmacists. Please refer to the state rate



pages, Section III A, Class IV A.

3. We are proposing an increase to the base rate for Physical Therapists from \$467 to \$514 (+10.0%) for Self-Employed Physical Therapists. Please refer to the state rate pages, Section III A, Class IX A.
4. We are proposing an increase of 5.1% to the Employed and Self-Employed base rate for Nurse Practitioners. Please refer to the state rate pages, Section III A, Classes XI A, B, C and D.]
5. Firms, Section III - E. Based on the countrywide rate indication for Firms of +36.8% (refer to Exhibit II, Sheet 1 in file "Supporting Actuarial Exhibits 2012"), we are removing the firm debit exclusion for Nurse Practitioners.

A revised version of countrywide and state exception pages reflecting the changes outlined above are included with this submission.

# ILLINOIS DEPARTMENT OF INSURANCE

## SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective 7/1/2012

(1) <u>Coverage</u>	(2) <u>Annual Premium Volume (Illinois)*</u>	(3) <u>Percent Change (+ or -)**</u>
1. Automobile Liability Private Passenger Commercial		
2. Automobile Physical Damage Private Passenger Commercial		
3. Liability Other Than Auto		
4. Burglary and Theft		
5. Glass		
6. Fidelity		
7. Surety		
8. Boiler and Machinery		
9. Fire		
10. Extended Coverage		
11. Inland Marine		
12. Homeowners		
13. Commercial Multi-Peril		
14. Crop Hail		
15. Other <u>Medical Malpractice</u>	<u>\$5,709,964</u>	<u>4.9%</u>
Line of Insurance		

Does filing only apply to certain territory (territories) or certain classes? If so, specify: No

Brief description of filing. (If filing follows rates of an advisory organization, specify organization): \_\_\_\_\_

We are filing to amend rules in the CW pages as well as change rates for Registered Nurses, Pharmacists, Physical Therapists and Nurse Practitioners.  
Rate need is based on independent countrywide data. Please see Actuarial Memorandum & Supporting Actuarial Exhibits for details.

\*Adjusted to reflect all prior rate changes.

\*\*Change in Company's premium level which will result from application of new rates.

American Casualty Company of Reading, PA

Name of Company

Katherine Vacura, ACAS

Actuarial Senior Consultant, Healthpro Pricing

Official – Title

ILLINOIS CERTIFICATION FOR  
MEDICAL MALPRACTICE RATES

(215 ILCS 5/155.18)(3) states that medical liability rates shall be certified in such filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience.

I, Laura Sachs, a duly authorized officer of American Casualty Company of Reading, PA, am authorized to certify on behalf of the company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are subject to this filing.

I, Katherine Vacura, a duly authorized actuary of CNA Insurance Companies, am authorized to certify on behalf of American Casualty Company of Reading, PA making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are subject to this filing.

Laura Sachs

**Laura Sachs, FCAS**

**Assistant Vice President, Healthpro Pricing**

Signature and Title of Authorized Insurance Company Officer

6/6/12  
Date

Katherine Vacura

**Katherine Vacura, ACAS**

**Actuarial Senior Consultant, Healthpro Pricing**

Signature and Title of Authorized Actuary

6/6/12  
Date

Insurance Company FEIN 23 - 0342560

Filing Number 12-00330-RL

Insurer's Address CNA Insurance Companies, 333 S. Wabash Ave

City Chicago State IL Zip Code 60604

Contact Person's:

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